



City of San Antonio

Agenda Memorandum

File Number:19-7622

Agenda Item Number: 28.

Agenda Date: 11/7/2019

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, AICP

COUNCIL DISTRICTS IMPACTED: 3 & 4

SUBJECT:

Assignment of the Development Agreement from Verano Land Group, LP to Southstar at Verano, LLC.

SUMMARY:

An Ordinance Authorizing the Assignment of the Development Agreement from Verano Land Group, LP to Southstar at Verano, LLC., located in Council Districts 3 & 4, and funded by the Verano Tax Increment Reinvestment Zone #28.

BACKGROUND INFORMATION:

The City, the Verano TIRZ Board, Bexar County, and VTLM TEXAS, LP entered into a Development Agreement on November 20, 2008, authorized by Ordinance No. 2008-11-20-1016. Bexar County approved the Development Agreement through the Bexar County Commissioners Court on December 16, 2008. VTLM TEXAS, LP is the “Developer” in the original and amended Development Agreements.

On January 28, 2016, VTLM TEXAS, LP assigned its interests to Verano Land Group, LP through Ordinance 2016-01-28-0041. This was approved by the Verano TIRZ Board on March 29, 2016 and by the Bexar County Commissioners Court on May 3, 2016.

The Verano TIRZ boundary was amended in 2008 to expand above Loop 410. Verano Land Group, LP will sell approximately 600 acres and assign the Development Agreement to Southstar at Verano, LLC. Verano Land Group, LP/VTLM TEXAS, LP shall retain approximately 1,200 industrial acres.

The development will include a total of 5,711 residential units: 2,500 multi-family units, 2,461 single-family homes, and 750 condos/townhomes. The development will also contain 925,000 square feet (SF) of office space, 665 SF of retail space, 1,225,000 SF of industrial space, and 200,000 SF of institutional structures such

as restaurants, a day care, assisted living centers, various sports facilities, trails, and parks.

Construction is scheduled to begin in the second quarter of 2020.

ISSUE:

The Assignment of the Development Agreement from Verano Land Group, LP to Southstar at Verano, LLC will give way to a diverse portfolio of housing options. Once completed, the project will provide an array of much needed additional housing infrastructure, capital improvements, and office and retail space to an area that has been stagnant with little economic development since the Verano TIRZ initially formed in 2007.

Phase I of construction has an overarching goal of providing diversity of housing options to residents that fall within 80%-120% of Area Median Income (AMI), with home prices starting at \$125,000.

The Verano TIRZ Finance Plan and Project Plan will be updated by mid-FY 2020 to reflect the changes in the development plan. These Amended Plans will be subsequently submitted to the Verano TIRZ Board and City Council for approval.

ALTERNATIVES:

City Council could choose not to approve the Assignment of the Development Agreement from Verano Land Group, LP to Southstar at Verano, LLC; however, without the acceptance of the Assignment, Southstar at Verano, LLC would be unable to move forward with the construction plans, which would hinder further economic development in the area.

FISCAL IMPACT:

This ordinance is to approve an Assignment of the Development Agreement from Verano Land Group, LP, to Southstar at Verano, LLC, located in Council Districts 3 & 4, and funded by Verano Tax Increment Reinvestment Zone #28.

This Ordinance will not have any impact on the City's budget.

The Verano TIRZ Finance Plan and Project Plan will be updated by mid-FY 2020 to reflect the changes in the development plan. These Amended Plans will be subsequently submitted to the Verano TIRZ Board and City Council for approval.

RECOMMENDATION:

Staff recommends approval of the Assignment of the Development Agreement from Verano Land Group, LP, to Southstar at Verano, LLC, located in Council Districts 3 & 4, and funded by Verano Tax Increment Reinvestment Zone #28.